

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2020-264-E  
DOCKET NO. 2020-265-E**

In the Matter of:	)	
	)	
Duke Energy Carolinas, LLC's	)	
Establishment of Solar Choice Metering	)	
Tariffs Pursuant to S.C. Code Ann. Section	)	<b>RESPONSIVE COMMENTS OF</b>
58-40-20	)	<b>DUKE ENERGY CAROLINAS, LLC</b>
	)	<b>AND DUKE ENERGY PROGRESS,</b>
	)	<b>LLC</b>
Duke Energy Progress, LLC's	)	
Establishment of Solar Choice Metering	)	
Tariffs Pursuant to S.C. Code Ann. Section	)	
58-40-20	)	

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Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and together with DEC, the “Companies”), pursuant to Public Service Commission of South Carolina (the “Commission”) Order No. 2021-64 and other applicable rules and regulations of the Commission, submit responsive comments to the public testimony provided to the Commission during the virtual public hearing on April 21, 2021.

**BACKGROUND**

During the Commission Business Meeting on January 20, 2021, the Commission voted to hold an additional<sup>1</sup> Virtual Public Hearing in this proceeding to receive public testimony, and requested further feedback from the Companies on the time required to provide customers with notice of this additional public hearing. The Commission issued Order No. 2021-64 on January

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<sup>1</sup> The Commission conducted a public evidentiary hearing in this matter on March 17, 2021, March 18, 2021, and March 19, 2021, via videoconference.

27, 2021, establishing a virtual public hearing to be held on April 21, 2021. That same day, the Clerk's Office issued a Notice of Virtual Public Hearing (the "Public Hearing Notice") to the Companies in this proceeding. Pursuant to Order No. 2021-64, the Companies provided the Public Hearing Notice to all applicable customers by March 21, 2021. The Public Hearing Notice provided customers with a description of the residential and non-residential Solar Choice rate schedules and riders proposed by the Companies in this proceeding (collectively, the "Solar Choice Tariffs") and noted that any person desiring to testify as a public witness at the Virtual Public Hearing should notify the Commission of that intention no later than 4:45 PM on April 20, 2021. Order No. 2021-64 provided all parties an opportunity to provide responsive comments to the public testimony on April 23, 2021.

On April 20, 2021, the Companies and Southern Environmental Law Center on behalf of Southern Alliance for Clean Energy, South Carolina Coastal Conservation League, and Upstate Forever submitted correspondence requesting that the Commission permit the parties in this proceeding to provide written responsive comments to the testimony rather than via WebEx. On April 22, 2021, the Chief Hearing Officer granted such request. As such, the Companies respectfully provide responsive comments to the public testimony provided during the Virtual Public Hearing.

### **RESPONSIVE COMMENTS**

A total of six witnesses provided testimony to the Commission at the Virtual Public Hearing. Common themes emerged from the public testimony, which the Companies address below.

#### **A. Cost shift.**

##### **Testimony**

S.C. Act No. 62 of 2019's ("Act 62") call to eliminate cost shift under the Solar Choice

programs to the “greatest extent practicable” has been a topic discussed at length in this proceeding. S.C. Code Ann. § 58-40-20-(A)(3). The Virtual Public Hearing was no different, as several witnesses discussed the impacts this language has on the Commission’s consideration of the Solar Choice Tariffs. Although Witness Wiebel does not own or lease any rooftop solar panels, he described the new rate structures of the Solar Choice Tariffs as the Companies seeking to make more money and rejected the idea that the Solar Choice Tariffs simply align costs and benefits to achieve the goals of Act 62. Witness Rundle stated that he works in the solar industry and that the solar industry could continue under the Solar Choice Tariffs, but may experience a decrease in profits. Witness Brundage installed rooftop panels in 2016, and financed them through her installer for a 20-year term. Witness Brundage noted that the new rates do not make her panels economically viable given the new rates that reduce the cost shift. When questioned as to whether her rooftop installer informed her that the net energy metering (“NEM”) program in which she was enrolled was not available for a 20-year term, she stated that they did not and have since moved their operations out of South Carolina. However, Witness Brundage went on to acknowledge that non-participating customers are subsidizing NEM customers and the subsidization should remain given that current NEM customers have been able to take advantage of the subsidy for years. Witness Williams noted that the Companies believe they are evening the playing field between NEM and non-NEM customers. However, Witness Williams rejected the idea that any cost shift exists at all, alleging that consultants for other South Carolina customers have determined that no cost shift exists and that the purported adverse effects on low-income customers arising from such cost shift is improper. However, Witness Brewster drew upon her broad experience with low-income customers and noted that studies indicate that low-income customers in South Carolina already bear a high energy burden, and that she is concerned with any more cost shift being placed upon low-income customers. Witness Brewster stated that

current solar provisions have allowed access to solar power for some low-income customers. As such, Witness Brewster expressed her support for the Solar Choice Tariffs. Witness Powers Norrell also commented on the cost shift language within Act 62, and brought a unique perspective to the Virtual Public Hearing given that she served in the South Carolina House of Representatives during the debate and passage of Act 62. Witness Powers Norrell explained that it is rare for the General Assembly to include legislative intent within legislation. In this case, Witness Powers Norrell explained that the legislature was careful to include the words “to the greatest extent practicable” when referring to eliminating the cost shift. She explained that without that language, Act 62 would simply direct the Commission to eliminate the entirety of the cost shift without regard for anything else, which was not the General Assembly’s intent. Rather, Witness Powers Norrell stated that the inclusion of that language evidenced the General Assembly’s belief that enabling market driven investment and saving jobs is just as important as eliminating the cost shift. Witness Powers Norrell explained that, essentially, that language simply means to “minimize” the cost shift while achieving the other goals of Act 62.

#### Companies’ Response

First and foremost, the rate structures within the Solar Choice Tariffs are a product of the directives within Act 62—not an attempt by the Companies to collect more revenue. The new rate structures simply heed the call of Act 62 to re-allocate costs between classes, not between the Companies and its customers. These innovative rate structures also preserve the opportunity for customer-generators to generate meaningful bill savings, which can drive customer adoption of rooftop solar and help ensure a robust solar market in South Carolina. As such, the Solar Choice Tariffs enable customers to produce meaningful bill savings, while also more accurately aligning costs with benefits. Witness Powers Norrell also noted that while Act 62 envisions a growing market for rooftop solar in South Carolina, it must correspond with a reduction in the cost shift

currently paid by non-NEM customers. The Solar Choice Tariffs substantially, if not completely, eliminate that cost shift by better aligning costs and benefits in accordance with Act 62. This rate structure ensures that the burden on non-NEM customers—including low-income customers—is lessened by a more accurate alignment of costs and benefits. As such, the Companies believe that the Solar Choice Tariffs fulfill the intent of Act 62 as expressed by its plain language and the testimony of Witness Powers Norrell by practically eliminating cost shift while avoiding disruption to the industry by permitting customers to achieve substantial bill reductions as a result of installing rooftop solar.

This alignment of costs and benefits in accordance with Act 62 requires the Companies to implement new rate structures that were simply not required by Act 236. However, the Companies are empathetic to customers like Witness Brundage, who, as she described, were “sold a bill of goods” because the installer did not inform her that the rate structure under the existing NEM programs (the “Existing NEM Programs”) would expire prior to the end of the 20-year period over which she financed her panels. As such, the Companies have provided several glide paths to the Permanent Tariffs that mitigate whatever rate impacts these customers may otherwise experience. For example, customers under Existing NEM Programs can remain under their current rate structure until at least 2025 and as late as 2029, depending upon enrollment date. Alternatively, these same existing NEM customers could enroll in the Interim Riders proposed by the Companies and could remain on these riders until 2029. If customers under the Interim Riders or the Existing NEM Programs choose not to switch to the Permanent Tariffs upon expiration of their respective program, they can apply for transition NEM tariffs that the Companies plan to file ahead of those expiration dates. These options for transition represent a carefully-crafted approach to weigh all customer interests and address situations such as those described by Witness Brundage, while still giving effect to the various—and at times competing—requirements of Act

62.

**B. Notice.**

Testimony

Witness Wiebel alleged that the notices provided by the Companies to the public were insufficient in describing the Companies' offerings in this proceeding. Likewise, Witness Williams claimed that the public was not put on notice about these hearings and that very few people she talked to knew that the Virtual Public Hearing was taking place. Witness Williams claimed that the Companies did not provide the public notice of the Stipulations presented in this proceeding, and that the local media is the best way to make the public aware of these issues—something she alleged the Companies did not do.

Companies' Response

The Commission directed the Companies to provide customers with Commission-approved notices related to this proceeding and the corresponding hearings. These notices were published via bill inserts on two occasions. Notices were also published in newspapers in 14 different newspapers within South Carolina—including the upstate. These notices were published in accordance with the instructions set forth by the Clerk's Office. Likewise, the Companies posted the date of the Virtual Public Hearing on social media and the Companies published a news release on Duke Energy Corporation's website and PR Newswire notifying customers of the Virtual Public Hearing and describing the Stipulations presented in this proceeding.

Even prior to proposing the specific tariffs in this proceeding, the Companies hosted a broad, wide-ranging stakeholder process that spanned the course of three workshops. Over 40 stakeholders attended each workshop, with various of those stakeholders representing an even larger membership base. Likewise, the Companies canvassed stakeholders for the names of any other persons or entities that may be interested in participating. Throughout this process, the

Companies made public filings with the Commission updating the Commission and the public on the ongoing stakeholder discussions. The Companies made publicly available the Memorandum of Understanding and corresponding Stipulations without redaction and the same were filed with the Commission. The Companies' Solar Choice Tariffs and underlying stipulations have been well-publicized not only to citizens of South Carolina, but also across the country. The Solar Choice Tariffs and underlying Stipulations have been well-covered, ranging from local publications such as the Greenville News and the Charleston Post & Courier, to national publications such as Utility Dive and Greentech Media.

In short, the Companies have been nothing less than transparent throughout these proceedings and have provided customers with notice of the Solar Choice Tariffs, merits hearing, and Virtual Public Hearing on numerous occasions—which is in addition to the local and national media coverage that the Solar Choice Tariffs and corresponding stipulations have received.

### **CONCLUSION**

The Companies appreciate the public participation and the comments of those who came forward to speak. The Companies certainly understand that these are complex issues affecting a wide range of interests. The Companies also appreciate the Commission and its staff for permitting the public to voice opinions and allowing the Companies to respond to the same. From the beginning, the Companies have proceeded in a good faith, transparent manner to not only answer the call of Act 62 but put forward an innovative approach that puts South Carolina at the forefront of national policy. As has been covered by volumes of testimony in this docket, the development of the Solar Choice Tariffs included a wide range of stakeholders, significant media coverage, and substantial interest within the State of South Carolina. As a result of this broad, wide-ranging process, the Companies have provided Solar Choice Tariffs that reflect ideas and compromise from not only solar industry advocates, but also conservation and clean

energy groups. The Companies have also provided a glide path for existing NEM customers to mitigate any rate impacts they would otherwise experience by moving to the Permanent Tariffs. As such, these Solar Choice Tariffs achieve the balance required by the General Assembly's intent within Act 62—as confirmed by Witness Powers Norrell—which directs the Companies to achieve the elimination of cost shift while still providing bill savings for NEM customers that encourage the adoption of rooftop solar in South Carolina. The Companies thank the Commission for this opportunity to provide responsive comments.

Respectfully submitted this 30th day of April, 2021.

/s/ J. Ashley Cooper, Esq.

Heather Shirley Smith, Esquire  
Duke Energy Corporation  
40 West Broad Street, Suite 690  
Greenville, South Carolina 29601

J. Ashley Cooper, Esquire  
Parker Poe Adams & Bernstein LLP  
200 Meeting Street, Suite 301  
Charleston, South Carolina 29401  
Telephone: (843) 727-2674  
ashleycooper@parkerpoe.com

Marion “Will” Middleton, III, Esquire  
Parker Poe Adams & Bernstein LLP  
110 East Court Street, Suite 200  
Greenville, South Carolina 29601  
Telephone: (864) 577-6374  
willmiddleton@parkerpoe.com

*Counsel for Duke Energy Carolinas, LLC and Duke  
Energy Progress, LLC*



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**CERTIFICATE OF SERVICE**

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This is to certify that I, Ashley Cooper, have this day caused to be served upon the persons named below the *Responsive Comments of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC* by electronic mail and by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

Carri Grube - Lybarker  
SC Department of Consumer Affairs  
[clybarker@scconsumer.gov](mailto:clybarker@scconsumer.gov)

Jeffrey M. Nelson  
Office of Regulatory Staff  
[jnelson@ors.sc.gov](mailto:jnelson@ors.sc.gov)

Andrew M. Bateman  
Office of Regulatory Staff  
[abateman@ors.sc.gov](mailto:abateman@ors.sc.gov)

Benjamin P. Mustian  
Office of Regulatory Staff  
[bmustian@ors.sc.gov](mailto:bmustian@ors.sc.gov)

Bess J. DuRant  
Sowell & DuRant, LLC  
[bdurant@sowelldurant.com](mailto:bdurant@sowelldurant.com)

Jeffrey W. Kuykendall  
Attorney at Law  
[jwkuykendall@jwklegal.com](mailto:jwkuykendall@jwklegal.com)

Roger P. Hall  
SC Department of Consumer Affairs  
[rhall@scconsumer.gov](mailto:rhall@scconsumer.gov)

Jenny R. Pittman  
Office of Regulatory Staff  
[jpittman@ors.sc.gov](mailto:jpittman@ors.sc.gov)

R. Taylor Speer  
Turner, Padget, Graham & Laney  
[ktsperr@turnerpadget.com](mailto:ktsperr@turnerpadget.com)

Kate Lee Mixson  
Southern Environmental Law Center  
[klee@selcsc.org](mailto:klee@selcsc.org)

Peter H. Ledford  
North Carolina Sustainable Energy Association  
[peter@energync.org](mailto:peter@energync.org)

Robert R. Smith, II  
Moore & Van Allen, PLLC  
[robsmith@mvalaw.com](mailto:robsmith@mvalaw.com)

Robert P. Mangum  
Turner, Padget, Graham & Laney, P.A.  
[rmangum@turnerpadget.com](mailto:rmangum@turnerpadget.com)

Heather Shirley-Smith  
Duke Energy Carolinas, LLC and Duke  
Energy Progress, LLC  
[heather.smith@duke-energy.com](mailto:heather.smith@duke-energy.com)

/s/ J. Ashley Cooper

This 30th day of April, 2021